Customer Inquiries: (866)556-6001

PEWPLES ENERGY.

Appendix C

March 09, 2001

RE:

Para una explicación de esta carta en Espanol, llame (866) 556-6003.

IMPORTANT NOTICE

Dear Customer:

Your gas bill is overdue. To maintain a good credit record, it is important to make timely payments.

The national problem of increased natural gas costs and this year's colder weather have increased gas bills for many of our customers. To help you become current with your gas bills, we are offering the following payment arrangements for you:

LEVELIZED PLUS

You will be billed for a "levelized" amount each month for twelve months, with a portion going toward your past due bills, and the remainder applied toward future bills. A down payment of ten percent of your total amount owing is required.

CURRENT PLUS

You will be billed for your current bill in full each month, plus a portion of your past due bill, for up to twelve months. A down payment of ten percent of your total amount owing is required.

BUDGET PAYMENT PLAN

If all past due balances can be paid in full, you may enroll in our Budget Payment Plan. You will be billed for a levelized installment amount each month. The installment will be adjusted periodically to account for any changes in usage. During the twelfth month, a settlement bill is issued for the difference between payments and actual usage.

FINANCIAL ASSISTANCE

For applications and requirements for the Low Income Home Energy Assistance Program (LIHEAP), contact the Community and Economic Development Association (CEDA) at (312) 456-4100.

Share the Warmth is a program designed to assist customers that are not eligible for LIHEAP. The Salvation Army administers the program. For the location of a Salvation Army office near you, call (773) 725-1100.

Sincerely

Peoples Energy